ETIQA GENERAL INSURANCE BERHAD
197001000276 (9557-T)
(Incorporated in Malaysia)

Unaudited Interim Condensed Financial Statements
for the six months period ended 30 June 2026

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UNAUDITED INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Note	30.6.2026 RM'000	31.12.2025 RM'000
Assets			
Property, plant and equipment		17,305	18,274
Investment properties		354,198	353,130
Prepaid land lease payments			
Right-of-use assets ("ROU assets")		5,362	4,114
Intangible assets		13,584	15,302
Investments	12	2,151,737	2,172,142
Financing receivables		28,112	29,660
Reinsurance contract assets	13	3,231,569	3,604,012
Insurance contract assets	14	173,845	174,953
Other assets	15	75,591	62,017
Derivative assets		-	737
Current tax assets	16	16,006	16,006
Cash and bank balances		16,088	12,959
Total Assets		6,083,397	6,463,306
Equity and Liabilities:			
Share capital		229,879	229,879
Reserves	17	1,145,545	1,183,674
Total Equity		1,375,424	1,413,553
Liabilities			
Insurance contract liabilities	14	3,975,910	4,275,475
Reinsurance contract liabilities	13	403,926	489,456
Obligations on financial assets sold under repurchase agreements		29,506	-
Derivative liabilities		296	-
Deferred tax liabilities, net		85,860	89,875
Other liabilities	18	169,622	168,009
Current tax liabilities		42,853	26,938
Total Liabilities		4,707,973	5,049,753
Total Equity and Liabilities		6,083,397	6,463,306

The accompanying notes form an integrated part of these interim financial statements.

ETIQA GENERAL INSURANCE BERHAD
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UNAUDITED INTERIM CONDENSED STATEMENTS INCOME STATEMENT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

	Note	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Insurance revenue	19	1,032,779	1,255,525
Insurance service expenses	20	(628,989)	(435,306)
Net expenses from reinsurance contracts held	21	(340,436)	(778,075)
Insurance service result		**63,354**	**42,144**
Interest revenue from financial assets not measured at Fair Value through Profit or Loss ("FVTPL")	22	36,093	35,439
Net fair value gains/(losses) on financial assets measured at FVTPL	23	1,388	(12,342)
Net fair value gains on derecognition of financial assets measured at Fair Value of Comprehensive Income ("FVOCI")	24	1,542	2,912
Other investment income	25	11,831	10,848
(Allowance for)/reversal of impairment loss on financial assets	26	(543)	235
Net foreign exchange gains/(losses)		40	(873)
Net investment income		**50,351**	**36,219**
Finance expenses from insurance contract issued	27	(43,204)	(71,399)
Finance income from reinsurance contract held	28	35,453	66,098
Net Insurance financial result		**(7,751)**	**(5,301)**
Total net investment income and net insurance financial results		42,600	30,918
Other expenses, net	29	(930)	(1,026)
Other finance costs		(162)	-
Other income/(expenses), net		(1,092)	(1,026)
Profit before taxation		104,862	72,036
Taxation	32	(29,637)	(16,594)
Net profit for the financial period		75,225	55,442
Basic Earnings per share (sen)		0.33	0.24

The accompanying notes form an integrated part of these interim financial statements.

ETIQA GENERAL INSURANCE BERHAD
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UNAUDITED INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Net profit for the financial period	75,225	55,442
Other comprehensive income/(loss):		
Items that may be subsequently reclassified to profit or loss:		
Net fair value gains on investments in debt securities at FVOCI	(11,965)	22,260
Net fair value losses on derecognition of financial assets measured at FVOCI	(1,543)	(2,912)
Tax effect relating to these items	3,242	(4,643)
	(10,266)	14,705
Currency translation differences	(9)	9
Items that will not be subsequently reclassified to profit or loss:		
Net fair value gains/(loss) on investment in equity securities at FVOCI	1,152	(5,179)
Tax effect relating to these items	(277)	1,243
	875	(3,936)
Other comprehensive income for the period, net of tax	(9,400)	10,778
Total comprehensive income for the financial period	65,825	66,220

The accompanying notes form an integrated part of these interim financial statements.

ETIQA GENERAL INSURANCE BERHAD
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UNAUDITED INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

	------------------------ Non-distributable			-------------------	Non-Distributable	
	Share Capital RM'000	FVOCI Reserve RM'000	Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 January 2026	229,879	24,317	16,085	76,391	1,066,881	1,413,553
Net profit for the financial period	-	-	-	-	75,225	75,225
Other comprehensive income for the financial period	-	(9,391)	(9)	-	-	(9,400)
Total comprehensive income	-	(9,391)	(9)	-	75,225	65,825
Dividend on ordinary shares	-	-	-	-	(103,954)	(103,954)
At 30 June 2026	229,879	14,926	16,076	76,391	1,038,152	1,375,424
At 1 January 2025	229,879	19,916	16,155	76,391	984,373	1,326,714
Net profit for the financial period	-	-	-	-	55,442	55,442
Other comprehensive income for the financial period	-	10,769	9	-	-	10,778
Total comprehensive income	-	10,769	9	-	55,442	66,220
Dividend on ordinary shares	-	-	-	-	(56,963)	(56,963)
At 30 June 2025	229,879	30,685	16,164	76,391	982,852	1,335,971

The accompanying notes form an integrated part of these interim financial statements.

ETIQA GENERAL INSURANCE BERHAD
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UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	104,862	72,036
Adjustments for:		
Amortisation of Intangible assets	2,273	2,695
Net amortisation of premiums on investments	1,235	886
Depreciation of property, plant and equipment	1,532	1,577
ROU expenses:		
Depreciation	979	1,043
Interest on lease liabilities	51	52
Fair value losses/(gains) on: investment		
- investments	5,765	16,129
- investment properties	(1,000)	-
Gains on disposal of investment	(8,695)	(6,699)
Dividend income	(5,772)	(5,260)
Interest and rental income	(45,020)	(44,558)
Other finance cost	162	-
(Reversal of)/allowance for impairment losses on:		
- investments	485	(30)
- financing receivables	58	(205)
- Insurance contract assets	74	1,881
- Reinsurance contract assets	659	(274)
- Other assets	10	-
Bad debts (recovered)/written off	(1)	158
Net loss on foreign exchange	(39)	873
Decrease/(increase) in:		
- Fixed and call deposits	(45,503)	(41,617)
- Financing receivables	1,489	475
- Other assets	(15,025)	(39,693)
Increase/(decrease) in:		
- Insurance and reinsurance contracts, net	(12,276)	8,856
- Other liabilites	1,816	(24,163)
Investment income received	45,146	45,397
Dividends received	5,432	4,622
Tax paid	(14,773)	(14,347)
Foreign exchange fluctuations	(9)	9
Net cash (used in)/generated from operating activities	23,915	(20,157)

UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026 (CONTD.)

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) of:		
- property, plant and equipment	(757)	(1,214)
- intangible assets	(648)	(127)
- investment properties	(68)	(281)
- investment	(422,567)	(368,760)
Proceed from disposal of:		
- property, plant and equipment	287	-
- investment	478,574	421,185
Net cash generated from investing activities	54,821	50,803
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividends	(103,954)	(56,963)
Payment of lease liabilities	(997)	(1,041)
Proceeds from obligations on financial assets sold under repurchase agreements	29,506	-
Interest paid on financial assets sold under repurchase agreement	(162)	-
Net cash used in financing activities	(75,607)	(58,004)
Net decrease in cash and cash equivalents	3,129	(27,358)
Cash and cash equivalents at beginning of financial year	12,959	44,476
Cash and cash equivalents at end of financial period	16,088	17,118
Cash and cash equivalents comprise:		
Cash and bank balances:		
Shareholder's fund	203	5
General fund	15,885	17,113
	16,088	17,118

The accompanying notes form an integrated part of these interim financial statements.

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 19, Tower C, Dataran Maybank, No. 1, Jalan Maarof, 59000 Kuala Lumpur, Malaysia.

The immediate, penultimate and ultimate holding companies of the Company are Maybank Ageas Holdings Berhad ("MAHB"), Etiqa International Holdings Sdn Bhd ("EIHSB") and Malayan Banking Berhad ("Maybank") respectively, all of which are incorporated in Malaysia. Maybank is a licensed commercial bank listed on the Main Market of Bursa Malaysia Securities Berhad.

The unaudited interim condensed financial statements for the six months ended 30 June 2026 were approved for issue by the Board of Directors on 26 August 2026

2. BASIS OF PREPARATION

2.1 The unaudited interim condensed financial statements of the Company for the financial period ended 30 June 2026 have been prepared in accordance with MFRS 134 Interim Financial Reporting as issued by the Malaysian Accounting Standards Board ("MASB") and IAS 34 Interim Financial Reporting as issued by International Accounting Standards Board ("IASB") and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM").

The unaudited interim condensed financial statements of the Company have been prepared on a historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The unaudited interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited annual consolidated financial statements of the Company for the financial year ended 31 December 2025.

The explanatory notes attached to the unaudited interim condensed financial statements provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Company since the financial year ended 31 December 2025.

The Company has met the minimum capital requirements as prescribed by the Risk-Based Capital Framework for Insurers ("RBC Framework") issued by BNM as at the reporting date.

2.2 Functional and presentation currency

The unaudited interim condensed financial statements are presented in Ringgit Malaysia ("RM") and rounded to the nearest thousand ("RM'000") unless otherwise stated.

2. BASIS OF PREPARATION (CONTD.)

2.3 Use of estimates and judgements

The preparation of unaudited interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates and judgements are based on management's best knowledge of current events and actions, actual results may differ.

In preparing these unaudited interim condensed financial statements, the significant judgements made by management in applying the Company accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 31 December 2025.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information and methods of computation adopted in the unaudited condensed interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2025 except for the adoption of the following accounting amendments to MFRS issued by the MASB that are effective for the Company's financial year beginning 1 January 2026:

Amendments that are part of Annual Improvements - Volume 11:
Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*
Amendments to MFRS 7 *Financial Instruments: Disclosures*
Amendments to MFRS 9 *Financial Instruments*
Amendments to MFRS 10 *Consolidated Financial Statements*
Amendments to MFRS 107 *Statement of Cash Flows*

Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures)*

Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 *(Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*)

The adoption of the above pronouncements are not expected to have a significant impact on the Company.

4. AUDITOR'S REPORT ON PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS

The auditor's report on the audited annual financial statements for the financial year ended 31 December 2025 was not qualified.

5. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business of the Company was not materially affected by any seasonal or cyclical fluctuations during the interim financial period ended 30 June 2026.

6. UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim financial period ended 30 June 2026.

7. CHANGES IN ESTIMATES

There were no material changes in estimates for the interim financial period ended 30 June 2026.

8. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance or repayment of debt and equity securities for the interim financial period ended 30 June 2026.

9. DIVIDENDS PAID

An interim single tier dividend of 49 sen per ordinary share on 212,151,399 ordinary shares amounting to RM103,954,000 was approved by BNM on 31 March 2026 and subsequently paid on the same day.

10. MATERIAL EVENTS SUBSEQUENT TO END OF REPORTING PERIOD

There were no material events subsequent to the end of the reporting period that require disclosure or adjustments to the unaudited interim condensed financial statements.

11. CHANGES IN THE COMPOSITION OF THE GROUP OR THE COMPANY

There were no changes in the composition of the Company during the interim financial period ended 30 June 2026.

12. INVESTMENTS

	30.6.2026 RM'000	31.12.2025 RM'000
Malaysian government papers	160,118	191,474
Equity securities	275,853	326,852
Debt securities	1,305,504	1,323,661
Unit and property trust funds	11,301	10,736
Structured products	6,243	12,146
Negotiable Islamic certificates of deposit ("NICD")	54,431	44,657
Financial assets sold under repurchase agreements	30,168	-
Deposits with financial institutions	308,119	262,616
	2,151,737	2,172,142

The Company's financial investments are summarised by categories as follows:

	30.6.2026 RM'000	31.12.2025 RM'000
Fair value through profit and loss ("FVTPL")(Note a)		
- Designated upon initial recognition (Note a)(i)	51,773	67,896
- Held for trading ("HFT")(Note a)(ii)	242,733	294,319
Fair value through other comprehensive income ("FVOCI")(Note b)	1,549,112	1,547,311
Amortised Cost ("AC")(Note c)	308,119	262,616
	2,151,737	2,172,142

Of which, the following investments mature after 12 months:

	30.6.2026 RM'000	31.12.2025 RM'000
FVTPL		
- Designated upon initial recognition	45,530	55,750
FVOCI	1,471,652	1,460,875
	1,517,182	1,516,625

(a) FVTPL

(i) Designated upon initial recognition

	30.6.2026 RM'000	31.12.2025 RM'000
At fair value		
Debt securities:		
Unquoted in Malaysia	45,530	55,750
Structured products	6,243	12,146
Total financial assets designated as FVTPL upon initial recognition	51,773	67,896

(ii) HFT

	30.6.2026 RM'000	31.12.2025 RM'000
At fair value		
Equity securities:		
Quoted in Malaysia	141,636	193,787
Unquoted in Malaysia	89,796	89,796
Unit and property trust funds:		
Quoted in Malaysia	11,301	10,736
Total HFT financial assets	242,733	294,319
Total FVTPL financial assets	294,506	362,215

12. INVESTMENTS (CONTD.)

(b) FVOCI

	30.6.2026 RM'000	31.12.2025 RM'000
At fair value		
Malaysian government papers	160,118	191,474
Equity securities*		
Quoted in Malaysia	44,421	43,269
Debt securities:		
Unquoted in Malaysia	1,228,059	1,235,486
Unquoted outside Malaysia	31,915	32,425
NICD	54,431	44,657
Financial assets sold under repurchase agreements**	30,168	-
Total FVOCI financial assets	1,549,112	1,547,311

* The Company has elected to recognise these equity investments at fair value through other comprehensive income as these investments are held as long term strategic investments that are not expected to be sold in the short term to medium term. Gains or losses on the derecognition of these equity investments are not transferred to profit or loss.

** The Company has entered into repurchase agreements whereby financial assets are sold to third parties with a concurrent agreement to repurchase the securities at a specified date. At 30 June 2026, the obligations under repurchase agreements were RM30,168,000 (2025: Nil). The financial assets sold under repurchase agreements continue to be recognised within the appropriate financial asset classification. A liability is established for the consideration received. During the term of the repurchase agreements, the Company is restricted from selling or pledging the transferred debt securities.

(c) AC

	30.6.2026 RM'000	31.12.2025 RM'000
At cost		
Fixed and call deposits with:		
Licensed financial institutions	308,119	262,616
Total AC financial assets	308,119	262,616

The carrying amounts of AC financial assets are reasonable approximations of fair values due to the short term maturity of the financial assets.

12. INVESTMENTS (CONTD.)

Movements in the allowances for impairment losses on financial assets at FVOCI are as follows:

30.6.2026	**Stage 1**	**Stage 2**	**Stage 3**	
	12 months ECL RM'000	**Lifetime ECL not credit impaired RM'000**	**Lifetime ECL credit impaired RM'000**	**Total ECL RM'000**
At 1 January 2026	397	413	-	810
Allowance made/(Write-back)	(45)	450	-	405
New financial assets originated of purchased	99	914	-	- 1,013
Financial assets that have been dercognised	(69)	(864)	-	- (933)
At 30 June 2026	382	913	-	1,295

31.12.2025	**Stage 1**	**Stage 2**	**Stage 3**	
	12 months ECL RM'000	**Lifetime ECL not credit impaired RM'000**	**Lifetime ECL credit impaired RM'000**	**Total ECL RM'000**
At 1 January 2025	96	636	-	732
Allowance made/(Write-back)	195	(222)	-	(27)
New financial assets originated of purchased	122	-	-	122
Financial assets that have been derecognised	(16)	(1)	-	(17)
At 31 December 2025	397	413	-	810

Fair Value of Investments

An analysis of the different fair value measurement bases used in the determination of the fair values of investments are further disclosed in Note 38(b).

13. REINSURANCE CONTRACT ASSET/LIABILITIES

Composition of Statement of Financial Position

The breakdown of groups of reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

			30.06.2026			31.12.2025
	Asset	Liability	Net	Asset	Liability	Net
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Reinsurance contracts held						
Motor	4,596	(6,446)	(1,850)	705	(14,303)	(13,598)
Fire	1,682,025	(153,006)	1,529,019	1,697,189	(138,654)	1,558,535
Marine, Aviation, Cargo and Transit	1,351,376	(54,427)	1,296,949	1,760,064	(74,736)	1,685,328
Miscellaneous	193,572	(190,047)	3,525	146,054	(261,763)	(115,709)
Total Reinsurance contracts held	3,231,569	(403,926)	2,827,643	3,604,012	(489,456)	3,114,556

13. REINSURANCE CONTRACT ASSET/LIABILITIES (CONTD.)

Analysis by remaining coverage and amounts recoverable on incurred claim measured at Premium Allocation Approach ("PAA")

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage ("ARC") and amounts recoverable on incurred claims ("AIC") arising business ceded to reinsurers is disclosed in the table below:

30.6.2026	**Note**	**ARC** Excluding loss recovery component RM'000	**AIC** Present value of future cash flows RM'000	**AIC** Risk adjustments RM'000	**Total** RM'000
Reinsurance contracts assets as at 1 January		1,118,384	2,175,223	310,405	3,604,012
Reinsurance contracts liabilities as at 1 January		(972,456)	424,776	58,224	(489,456)
Net reinsurance contracts assets as at 1 January		145,928	2,599,999	368,629	3,114,556
Net (expense)/income from reinsurance contracts held	21	(636,569)	298,344	(2,211)	(340,436)
Finance income from reinsurance contracts held	28	-	30,924	4,529	35,453
Cash flows					
Premiums paid net of ceding commission		452,211	-	-	452,211
Amount received		-	(434,141)	-	(434,141)
Total cash flows		452,211	(434,141)	-	18,070
Net balance as at end of the period		(38,430)	2,495,126	370,947	2,827,643
Represented by:					
Reinsurance contracts assets as at 30 June		703,543	2,183,795	344,231	3,231,569
Reinsurance contracts liabilities as at 30 June		(741,973)	311,331	26,716	(403,926)
Net reinsurance contracts assets as at 30 June		(38,430)	2,495,126	370,947	2,827,643

13. REINSURANCE CONTRACT ASSET/LIABILITIES (CONTD.)

Analysis by remaining coverage and amounts recoverable on incurred claim measured at Premium Allocation Approach ("PAA")(contd.)

		ARC	AIC		
31.12.2025	**Note**	**Excluding loss recovery component RM'000**	**Present value of future cash flows RM'000**	**Risk adjustments RM'000**	**Total RM'000**
Reinsurance contracts assets as at 1 January		1,129,631	2,678,470	320,246	4,128,347
Reinsurance contracts liabilities as at 1 January		(993,735)	421,630	38,414	(533,691)
Net reinsurance contracts (liabilities)/assets as at 1 January		135,896	3,100,100	358,660	3,594,656
Net (expense)/income from reinsurance contracts held	21	(1,544,594)	258,609	(1,600)	(1,287,585)
Finance income from reinsurance contracts held	28	-	106,748	11,569	118,317
Cash flows					
Premiums paid net of ceding commission		1,554,626	-	-	1,554,626
Amount received		-	(865,458)	-	(865,458)
Total cash flows		1,554,626	(865,458)	-	689,168
Net balance as at end of the period		145,928	2,599,999	368,629	3,114,556
Represented by:					
Reinsurance contracts assets at 31 December		1,118,384	2,175,223	310,405	3,604,012
Reinsurance contracts liabilities at 31 December		(972,456)	424,776	58,224	(489,456)
Net reinsurance contracts assets at 31 December		145,928	2,599,999	368,629	3,114,556

14. INSURANCE CONTRACT ASSET/LIABILITIES

Composition of Statement of Financial Position

The breakdown of groups of Insurance contracts issued, that are in an asset position and those in a liability position is set out in the table below:

			30.06.2026			31.12.2025
	Asset RM'000	Liability RM'000	Net RM'000	Asset RM'000	Liability RM'000	Net RM'000
Innsurance contracts certificates held						
Motor	(2)	132,790	132,788	(2)	128,934	128,932
Fire	(62)	2,589,264	2,589,202	-	2,655,999	2,655,999
Marine, Aviation, Cargo and Transit	(19,351)	967,855	948,504	(14,875)	1,356,030	1,341,155
Miscellaneous	(154,430)	286,001	131,571	(160,076)	134,512	(25,564)
Total Insurance contracts certificates held	(173,845)	3,975,910	3,802,065	(174,953)	4,275,475	4,100,522

14. INSURANCE CONTRACT ASSET/LIABILITIES (CONTD.)

Analysis by liability for remaining coverage and the liability for incurred claims measured at Premium Allocation Approach ("PAA")

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") is disclosed in the table below:

		LRC	LIC		
30.6.2026	**Note**	**Excluding loss component RM'000**	**Present value of future cash flows RM'000**	**Risk adjustments RM'000**	**Total RM'000**
Insurance contracts liabilities at 1 January		1,108,644	2,821,861	344,970	4,275,475
Insurance contracts assets at 1 January		(550,150)	317,220	57,977	(174,953)
Net insurance contracts liabilities at 1 January		558,494	3,139,081	402,947	4,100,522
Insurance revenue	19	(1,032,779)	-	-	(1,032,779)
Insurance service expenses	20	94,953	536,487	(2,451)	628,989
Insurance service results		(937,826)	536,487	(2,451)	(403,790)
Finance expense from insurance contracts issued	27	-	38,250	4,954	43,204
Cash flows					
Premiums received		891,977	-	-	891,977
Claims and other insurance service expenses paid		-	(738,251)	-	(738,251)
Insurance acquisition cash flows		(91,597)	-	-	(91,597)
Total cash flows		800,380	(738,251)	-	62,129
Net balance as at end of the period		421,048	2,975,567	405,450	3,802,065
Represented by:					
Insurance contracts liabilities at 30 June		820,986	2,782,519	372,405	3,975,910
Insurance contracts assets at 30 June		(399,938)	193,048	33,045	(173,845)
Net insurance contracts liabilities at 30 June		421,048	2,975,567	405,450	3,802,065

14. INSURANCE CONTRACT ASSET/LIABILITIES (CONTD.)

Analysis by liability for remaining coverage and the liability for incurred claims measured at Premium Allocation Approach ("PAA")(contd.)

		LRC	LIC		
31.12.2025	**Note**	**Excluding loss component RM'000**	**Present value of future cash flows RM'000**	**Risk adjustments RM'000**	**Total RM'000**
Insurance contracts liabilities at 1 January		570,934	3,640,064	392,920	4,603,918
Insurance contracts assets at 1 January		(15,604)	341	2	(15,261)
Net insurance contracts liabilities as at 1 January		555,330	3,640,405	392,922	4,588,657
Insurance revenue	19	(2,350,924)	-	-	(2,350,924)
Insurance service expenses	20	205,244	764,709	(2,710)	967,243
Insurance service results		(2,145,680)	764,709	(2,710)	(1,383,681)
Finance expense from insurance contracts issued	27	-	120,026	12,735	132,761
Cash flows					
Premiums received		2,367,584	-	-	2,367,584
Claims and other insurance service expenses paid		-	(1,386,059)	-	(1,386,059)
Insurance acquisition cash flows		(218,740)	-	-	(218,740)
Total cash flows		2,148,844	(1,386,059)	-	762,785
Net balance as at end of the period		558,494	3,139,081	402,947	4,100,522
Represented by:					
Insurance contracts liabilities at 31 December		1,108,644	2,821,861	344,970	4,275,475
Insurance contracts assets at 31 December		(550,150)	317,220	57,977	(174,953)
Net insurance contracts liabilities at 31 December		558,494	3,139,081	402,947	4,100,522

15. OTHER ASSETS

	30.6.2026 RM'000	31.12.2025 RM'000
Sundry receivables, deposits and prepayments	8,486	5,730
Income and accrued*	18,664	18,269
Allowance for impairment losses	(10)	-
	18,654	18,269
Amounts due from related companies**:		
- Ultimate holding company	17	-
- Holding company		
- Other related companies within the MAHB Group (Note 37)	2,228	2,351
- Other related companies within the Maybank Group (Note 37)	337	-
Amount due from stockbrokers	10,253	502
Share of net assets in the Malaysian Motor Insurance Pool ("MMIP")*	35,616	35,165
	48,451	38,018
Total other assets	75,591	62,017

* Included in the income and profits due and accrued are mainly consist on interest, rental and dividend receivables.

** Amounts due from related companies are non-trade in nature, unsecured, interest-free and repayable in the short term.

The carrying amounts (other than prepayments and share of net assets in MMIP are reasonable approximations of fair values due to the relatively short-term maturity of these balances.

16. CURRENT TAX ASSETS

	30.6.2026	31.12.2025
	RM'000	RM'000
At 30 June/31 December	16,006	16,006

(a) The current tax assets arise from the appeals made by the Company prior to its Conversion of Composite Licence to Single Licenses (“Licence Split”) on 28 December 2017. The Inland Revenue Board of Malaysia (“IRBM”) had raised additional assessments to the Company for Years of Assessment (“YA”) 2013 to 2016.

(b) On 24 November 2021, IRBM had raised additional assessments for YA 2016 amounting RM3,102,000 in respect to the profit commission earned on reinsurance ceded for life business as incidental income of the Company under Section 60(8) of the Income Tax Act, 1967 and disallowing the deduction of expenses directly attributable to rental income of its investment properties.

(c) The Ministry of Finance ("MOF") has issued pronouncement on 25 February 2022 in response to letter of application submitted by Persatuan Insurans Hayat Malaysia ("LIAM") dated 7 December 2020, to conclude that the profit commission earned on reinsurance ceded for life business should not be treated under incidental income of the Company under Section 60(8) of the Income Tax Act, 1967, hence not subject to tax. The Settlement Agreement submitted and awaiting from IRBM to issue Notice of Reduced Assessment ("Form JR") for the issue once the term is mutually agreed.

The Special Commissioner of Income Tax ("SCIT") ruled against Etiqa on the main issue concerning the tax treatment of rental income from investment properties. However, it ruled in Etiqa’s favour by setting aside the penalty imposed by the IRBM, resulting in a potential recovery of RM3,998,243l. Etiqa has appealed to the High Court on the rental income issue, while the IRBM has filed a cross-appeal against the SCIT’s decision to set aside the penalty. Accordingly, the potential recovery cannot be recognised at this stage pending the outcome of the appeals. Written submissions to the High Court are scheduled for 30 April 2027, with the hearing fixed for 27 May 2027.

17. RESERVES

	Note	30.6.2026 RM'000	31.12.2025 RM'000
Reserves:			
FVOCI Reserve	(i)	14,926	24,317
Currency translation reserve	(ii)	16,076	16,085
Revaluation reserve	(iii)	76,391	76,391
		107,393	116,793
Retained profits:			
Distributable	(iv)	1,038,152	1,066,881
		1,038,152	1,066,881
Total reserves		1,145,545	1,183,674

(i) The FVOCI reserve of the Company arose from changes in the fair values of the financial assets which are measured at fair value through other comprehensive income.

(ii) The currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Company.

(iii) The revaluation reserve of the Company represents the difference between the carrying amount of properties previously classified as self-occupied properties and subsequently transferred to investment properties upon the end of owner occupation and its fair value at the date of change in use.

(iv) The entire distributable profits of the Company may be distributed to the shareholders under the sigle-tier system

18. OTHER LIABILITIES

	30.6.2026 RM'000	31.12.2025 RM'000
ROU lease liabilities	5,567	4,291
ROU restoration cost	1,225	1,225
Amount due to related companies*:		
- Ultimate holding company (Note 37)	-	1,678
- Immediate holding company (Note 37)	4,062	4,518
- Penultimate holding company (Note 37)	733	58
- Other related companies within the MAHB Group (Note 37)	314	-
- Other related companies within the Maybank Group (Note 37)	-	511
Amounts due to subsidiary (Note 37)	1,593	1,596
Provision for land development costs		-
Sundry payables and accrued liabilities**	156,128	154,132
	169,622	168,009

* Amounts due to related companies are non-trade in nature, unsecured, interest free and is repayable in the short term.

** Included in the sundry payables and other liabilities are mainly consist of provision for bonus, accrual, payroll payable and other miscellaneous or provision of expenses.

The carrying amounts of financial liabilities are reasonable approximations of fair values at the reporting date due to the relatively short-term maturity of these balances and the immaterial impact of discounting.

19. INSURANCE REVENUE

The table below presents an analysis of the total insurance revenue recognised in the period:

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Contracts measure under the PAA		
Release of premiums for current period	1,032,779	1,255,525
Total Insurance Revenue (Note 14)	1,032,779	1,255,525

20. INSURANCE SERVICE EXPENSES

The table below presents an analysis of the total insurance service expenses recognised in the period:

	Note	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Insurance service expenses			
Incurred claims and other directly attributable expenses		(522,431)	(641,589)
Changes that relate to the past services			
- adjustment to LIC		(11,605)	312,889
Insurance acquisition cash flow amortisation	(i)	(94,954)	(106,606)
Others		1	-
Total insurance service expenses (note 14)		(628,989)	(435,306)

(i) Insurance acquisition csh flows were allocated on a straight-line basis during the coverage period of the respective group of policies.

21. NET EXPENSES FROM REINSURANCE CONTRACT HELD

The Company has disclosed an analysis of the net expenses from reinsurance contracts held during the year, shown in the table below:

		1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Changes in the assets for the remaining coverage			
Net cost/gain recognised in profit or loss	(i)	(636,570)	(857,310)
Allocation of reinsurance premiums contributions		(636,570)	(857,310)
Amounts recoverable for incurred claims and other expense incurred in the period*		250,875	349,348
Changes in amounts recoverable arising from changes in liability for incurred claims*		45,259	(270,113)
Loss recovery from onerous contracts			
Amounts recoverable from reinsurers		296,134	79,235
Total net expenses from reinsurance contracts held (Note 13)		(340,436)	(778,075)

(i) Net cost/gain recognised in the profit or loss during the coverage period of the corresponding groups of reinsurance contracts held based on established coverage units.

22. INTEREST INCOME FROM FINANCIAL ASSETS NOT MEASURE AT FVTPL

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Interest income		
Financial Assets at FVOCI		
Investment		
Malaysian government papers	3,627	3,826
Debt securities	26,596	25,221
NCD	1,002	-
Financial Assets at AC		
Investment		
Deposit with financial institution	4,667	6,139
Financing receivables		
Staff loans	187	239
Non-staff loans	14	14
Total interest income from financial assets not measure at FVTPL	36,093	35,439

23. NET FAIR VALUE GAINS/(LOSSES) ON FINANCIAL ASSETS MEASURED AT FVTPL

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Realised gains on financial assets, net	7,153	3,787
Fair value (losses)/gains on:		
Equity securities	(4,609)	(17,202)
Debt securities	(123)	634
Derivatives	(1,033)	439
		-
Total net fair value gains/(losses) on financial assets measured at FVTPL	1,388	(12,342)

24. NET FAIR VALUE GAINS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT FVOCI

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Financial Assets at FVOCI		
Debts securities	1,525	2,371
Malaysian government papers	17	541
Total net fair value gains on derecognition of financial ofassets measured at FVOCI	1,542	2,912

25. OTHER INVESTMENT INCOME

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Dividend income:		
Equity securities	5,258	5,247
Unit and property trust	514	13
Fair value gains/(losses):		
Investment properties	1,000	-
Interest income from financial assets measured at FVTPL:		
Investment	1,291	2,045
Rental income	7,636	7,074
Rental related expenses	(2,096)	(2,260)
Net amortisation of premiums	(1,235)	(886)
Investment related expenses, net	(537)	(385)
Total other investment income	11,831	10,848

26. (ALLOWANCE FOR)/REVERSAL OF IMPAIRMENT LOSS ON FINANCIAL ASSETS

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
(Allowance for)/reversal of impairment loss on:		
- investment	(485)	30
- financing receivables	(58)	205
Total (allowance for)/reversal of impairment loss on financial assets	(543)	235

27. FINANCE EXPENSE FROM INSURANCE CONTRACT ISSUED

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Insurance contracts		
Finance (expenses)/income from Insurance contracts issued		
Interest accreted using current financial assumptions	(51,592)	(61,318)
Effect of changes in interest rates and other financial assumptions	8,388	(10,081)
Total finance expensesfrom insurance contracts issued (Note 14)	(43,204)	(71,399)
Amount recognised in profit and loss	(43,204)	(71,399)

28. FINANCE INCOME FROM REINSURANCE CONTRACT HELD

		1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Reinsurance contracts			
Finance income/(expenses) from reinsurance contracts held			
Interest accreted using current financial assumptions		43,122	52,135
Effect of changes in interest rates and other financial assumptions		(7,009)	8,515
Changes in risk non performers reinsurers		(660)	5,448
Total finance (expenses)/income from reinsurance contracts (Note 13)		35,453	66,098
Amount recognised in profit and loss		35,453	66,098
Net investment result and net finance income/(expenses):			
Represented by:			
Amount recognised in profit and loss			
Net investment income		50,351	36,219
Finance expense from insurance contracts	27	(43,204)	(71,399)
Finance Income from reinsurance contracts	28	35,453	66,098
		42,600	30,918

29. OTHER INCOME/EXPENSES, NET

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
(A) Other income		
Reversal/(impairment) losses on:		
- other assets	(10)	
Sundry income	954	277
Total other income	944	277
(B) Total other expenses (Note 30)	(1,874)	(1,303)
Total other expenses, net	(930)	(1,026)

30. OTHER EXPENSES

An analysis of the expenses incurred by the Company in the reporting period is included in the table below:

	1.1.2026 to 30.6.2026				1.1.2025 to 30.6.2025			
	Insurance service expenses*				Insurance service expenses*			
	Expenses attributed to insurance acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000	Expenses attributed to insurance acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000
Commission expenses (A)	50,012	273	-	50,285	66,066	216	-	66,282
Other expenses								
Employee benefits expense (a)	23,308	28,260	1,975	53,543	22,626	32,072	1,085	55,783
Directors' remuneration	-	-	484	484	-	-	457	457
Auditors' remuneration:								
- statutory audits	97	103	7	207	110	129	8	247
- regulatory related services	23	24	1	48	17	20	1	38
- other services	9	9	1	19	22	25	1	48
Amortisation of intangible assets	1,084	1,189	-	2,273	1,217	1,478	-	2,695
Auto assist service	-	2,082	-	2,082	-	1,931	-	1,931
Other finance cost	774	1,782	(545)	2,011	817	1,798	-	2,615
Depreciation of property, plant and equipment	714	804	14	1,532	466	1,107	4	1,577
Right-of-use expenses:								
-Depreciation	-	979	-	979	-	1,043	-	1,043
-Lease liabilities interest	-	51	-	51	-	52	-	52
Other management fees	10	202	-	212	17	138	-	155
Outside Services & Others	23	101	-	124	26	42	-	68
Professional fees	3,223	225	1	3,449	4,446	666	4	5,116
Short term leases	1,214	1,422	53	2,689	972	1,436	16	2,424
Small value assets	1	81	-	82	3	64	-	67

30. OTHER EXPENSES (CONTD.)

An analysis of the expenses incurred by the Company in the reporting period is included in the table below (contd.):

	1.1.2026 to 30.6.2026				1.1.2025 to 30.6.2025			
	Insurance service expenses*				Insurance service expenses*			
	Expenses attributed to insurance acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000	Expenses attributed to insurance acquisition cash flows RM'000	Other directly attributable expenses RM'000	Other expenses RM'000	Total RM'000
Office facilities expenses	93	98	(3)	188	137	160	3	300
Electronic data processing expenses	649	682	(1)	1,330	632	741	-	1,373
Information technology outsourcing	2,149	2,259	-	4,408	1,762	2,069	-	3,831
Postage and stamp duties	29	311	-	340	37	79	5	121
Printing and stationery	28	(13)	-	15	22	45	-	67
Promotional and marketing cost	4,969	374	286	5,629	6,035	304	256	6,595
Training expenses	182	145	15	342	144	151	1	296
Utilities, assessment and maintenance	216	370	9	595	185	349	4	538
Entertainment	-	-	138	138	-	-	177	177
Travelling expenses	172	217	2	391	163	227	2	392
Legal fees	8	(19)	-	(11)	6	27	-	33
Licence, Subscription and Levies	198	1,292	-	1,490	333	1,461	3	1,797
Contract staff services	523	771	(38)	1,256	352	677	1	1,030
Policy Related Expenses	115	354	-	469	68	486	16	570
Others	87	91	-	178	24	28	-	52
Total other expenses (B)	39,898	44,246	2,399	86,543	40,639	48,805	2,044	91,488
<u>Other operating expenses</u>								
Sundry expenditure/(income), net	500	635	(525)	610	584	573	(741)	416
Total other operating expenses (C)	500	635	(525)	610	584	573	(741)	416
Total other expenses (A)+(B)+(C)	90,410	45,154	1,874	137,438	107,289	49,594	1,303	158,186

30. OTHER EXPENSES (CONTD.)

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Represented by:		
Insurance service expenses	45,154	49,594
Other expenses	1,874	1,303
	47,028	50,897

*	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
(a) Employee Benefits Expense:		
Wages, salaries and bonuses	40,600	40,128
EPF and CPF	6,427	6,229
SOCSO	319	336
ESGP	1,152	859
Other benefits	5,045	8,231
	53,543	55,783

Included in employee benefit expense above are remuneration of CEO of the Company amounting to RM1,761,000 (2025: RM1,573,000) further disclosed below.

(b) The details of remuneration of CEO during the period are as follows:

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Salary	496	496
Director Fees	15	-
Bonus	580	560
EPF and Pension Scheme	176	173
ESGP	448	297
Other emoluments	46	47
	1,761	1,573

31. DIRECTORS' FEES AND REMUNERATION

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Executive directors:		
Fees	65	95
Other emoluments	13	11
	78	106
Non-executive directors:		
Fees	290	256
Other emoluments	67	95
	357	351
Tot remuneration	435	457

The total remuneration of the directors of the Group are as follows:

	Fees RM'000	Other emoluments RM'000	Total RM'000
1.1.2026 to 30.6.2026			
Executive director:			
Puan Siti Nita Zuhra Binti Mohd Nazri	65	13	78
	65	13	78
Non-executive directors:			
En Mohd Din bin Merican (Chairman)	95	13	108
Thomas Caris	65	13	78
En. Mohamad Shukor Bin Ibrahim	65	23	88
Mr. John Tan Kwang Kherng	65	18	83
	290	67	357
Total remuneration of the directors	355	80	435

31. DIRECTORS' FEES AND REMUNERATION (CONTD.)

The total remuneration of the directors of the Group are as follows(contd.):

	Fees RM'000	Other emoluments RM'000	Total RM'000
1.1.2025 to 30.6.2025			
Executive director:			
Puan Siti Nita Zuhra Binti Mohd Nazri	95	11	106
	95	11	106
Non-executive directors:			
Datuk Mohd Najib Bin Abdullah (Chairman)	87	19	106
Thomas Caris	54	11	65
Ms. Daniela Adaggi	11	-	11
En. Mohamad Shukor Bin Ibrahim	58	24	82
Mr. John Tan Kwang Kherng	46	41	87
	256	95	351
Total remuneration of the directors	351	106	457

32. TAXATION

<u>Major components of income tax expense</u>

The major components of income tax expense for the period ended 30 June 2026 and 30 June 2025 are:

<u>Income Statements</u>

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Income tax:		
Current financial period		
- Malaysia	30,686	15,517
Deferred taxation:		
Relating to origination and reversal of temporary differences	(1,049)	1,077
Income tax expense recognised in profit or loss	29,637	16,594

32. TAXATION (CONTD.)

Statement of Comprehensive Income:

Deferred income tax related to other comprehensive income/(losses):		
- Fair value changes on debt securities at FVOCI	(3,242)	4,643
- Fair value changes on equity securities at FVOCI	277	(1,243)
	(2,965)	3,400

Reconciliation between tax expense and accounting profit

The reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company are as follows:

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Profit before taxation	104,862	72,036
Taxation at 24% statutory tax rate (2024: 24%)	25,167	17,288
Income not subject to tax	(1,779)	(1,553)
Expenses not deductible for tax purposes	6,249	859
Tax expense for the financial period	29,637	16,594

33. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit for the financial period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Profit attributable to ordinary equity holders	75,225	55,442
Weighted average number of ordinary shares in issue (unit'000)	212,151	212,151
Basic and diluted earnings per share (sen)	35.46	26.13

There were no potential dilutive effects on the ordinary shares during and at the end of financial period. There have been no other transactions involving ordinary shares between the reporting date and the authorisation date of the financial statements.

34. OPERATING LEASE COMMITMENTS

The Company as a lessor

The Company has entered into operating lease agreements on its portfolio of investment properties. The leases have remaining lease terms of between 1 and 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

The future minimum lease payments receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	30.6.2026 RM'000	31.12.2025 RM'000
Not later than one year	6,697	12,027
Between one and five years	23,168	44,962
	29,865	56,989

35. OTHER COMMITMENTS AND CONTINGENCIES

	30.6.2026 RM'000	31.12.2025 RM'000
Approved and contracted for:		
Property, plant and equipment	221	802
Intangible assets	120	-
Bank guarantees:		
- in respect of performance bonds	81	81
- in respect of security deposits	4,722	4,740
	5,144	5,623
Approved but not contracted for:		
Property, plant and equipment	686	2,074

35. OTHER COMMITMENTS AND CONTINGENCIES (CONTD.)

Bank guarantees issued

a) Performance bonds

Bank guarantees were provided by the Company to policyholders in respect of bond insurance business, amounting to RM 8,284 (2025: RM81,284). These guarantees were issued to secure the contractual obligations of the policyholders. As at the reporting date, the Company does not consider it probable that a claim will be made under these guarantees.

b) Security deposits

Bank guarantees in the form of security deposits were placed with regulators, amounting to approximately RM1,574,000 (SGD500,000) with the Monetary Authority of Singapore and approximately RM3,148,000 (BND1,000,000) with the Monetary Authority of Brunei Darussalam. These guarantees are held to satisfy regulatory requirements. As at the reporting date, the Company does not consider it probable that a claim will be made under these guarantees.

All of the guarantees issued by the Company for performance bonds and security deposits were made under bank gurantee facilities (with facilities amount of up to RM15 million) obtained from Maybank.

	Full commitment RM'000	Full commitment RM'000
Derivative financial instruments:		
Forward foreign exchange contracts:		
Less than a year	23,135	24,171
Cross currency swap		
Less than a year	8,166	8,166
	31,301	32,337

36. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES DISCLOSURES

For the purpose of these financial statements, parties are considered to be related to the Company if the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the corresponding party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel, defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel includes the Directors and Chief Executive Officers of the Company.

The Company have related party relationships with its shareholders, subsidiaries, associates, key management personnel and the subsidiaries and associates of a company with significant influence over its shareholders.

Related party transactions have been entered into in the normal course of business under normal trade terms.

(i) Significant transactions of the Company with related parties during the financial period were as follows:

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
<u>Income/(expenses):</u>		
Ultimate Holding company:		
Gross premium	3,621	6,987
Commission and fee expenses	(5,465)	(13,111)
Claims paid	(90)	(193)
Interest income	73	88
Rental Income	169	250
ESGP	(550)	(505)
Other expenses, net	(160)	(268)
Immediate holding company:		
Gross insurance premium	14	5
Rental income	621	252
Dividend paid	-	(56,963)
Shared service cost	(29,035)	(25,491)
Remuneration of a seconded employee	(119)	(54)

36. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

(i) Significant transactions of the Company with related parties during the financial period were as follows (contd.):

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Income/(expenses)(contd.):		
Penultimate holding company:		
Gross premium	6	-
Reimbursement expenses	-	(134)
Shared service cost	(208)	(206)
Rental income	-	70
Fellow subsidiaries within the EIHSB Group		
Gross premium	1	-
Consultation fees	(28)	(351)
Fellow subsidiaries within MAHB Group:		
Gross premium income	387	335
Premium ceded to reinsurers	(800)	(737)
Commissions and fee income/(expenses)	(4)	11
Reinsurance commission income/(expenses)	9	(8)
Claims paid	(605)	(2,439)
Claims recovery from reinsurers	1,928	742
Rental income	5,009	4,732
Rental expenses	(1,217)	(1,061)
Shared service cost	6,992	9,023
Other related companies within the Maybank Group:		
Gross premium income	2,881	2,515
Claims paid	(18)	(4)
Commission expense	(321)	(489)
Interest income	3,083	3,653
Information technology outsourcing	(4,407)	(3,831)
Companies related to a company with significant influence over the Maybank Group:		
Gross premium	30,263	23,989
Claims paid	(2,746)	(628)

36. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

(ii) Included in the statements of financial position of the Company are investment placed with, obligations due to and amounts due from/(to) related companies as follows:

	30.6.2026 RM'000	31.12.2025 RM'000
Ultimate holding company:		
Fixed and call deposits	7,525	7,485
Derivatives	(178)	506
Bank balances	8,995	8,947
Income due and accrued	46	38
Outstanding premiums	483	1
Claim liabilities	(174)	(3,086)
Provision for custodian fee	-	(36)
Other investment receivables	(33)	-
Bank guarantees	(5,144)	(4,821)
Amount due to ultimate holding company (Note 18)	17	(1,678)
Immediate holding company:		
Amount due to immediate holding company (Note 18)	(4,062)	(4,518)
Penultimate holding company:		
Amount due to penultimate holding company (Note 18)	(733)	(58)
Fellow subsidaries within the EIHSB Group		
Amount due to other related companies (Note 18)	-	(416)
Fellow subsidiaries within the MAHB Group:		
Amount due to reinsurers and cedants	(35,737)	(36,133)
Claims liabilities	(9,504)	(11,005)
Reinsurance assets	1,941	1,941
Amount due from other related companies (Note 15)	2,565	2,351
Amount due to other related companies (Note 18)	(314)	(95)
Other related companies within Maybank Group:		
Fixed and call deposits	220,365	173,755
Income due and accrued	513	361
Claims liabilities	(102)	(2,036)
Companies related to a company with significant influence over MAHB Group:		
Outstanding claim recovery	3,113	3,960
Companies related to a company with significant influence over Maybank Group:		
Oustanding premium	124	1
Claims liabilities	(5,516)	(17,964)
Subsidiary:		
Amount due to Subsidiary (Note 18)	(1,593)	(1,596)

36. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTD.)

(iii) The remuneration of key management personnel during the period were as follows:

	1.1.2026 to 30.6.2026 RM'000	1.1.2025 to 30.6.2025 RM'000
Short-term employee benefits		
- Fees	355	351
- Salaries, allowances and bonuses	1,156	1,162
- Contribution to EPF and pension scheme	176	173
- Share option granted under ESOS	448	297
- Other emoluments	46	47
	2,181	2,030

(iv) The number of shares awarded for ESGP to key management personnel were as follows:

	30.06.2026 RM'000	31.12.2025 RM'000
Award date		
At 1 January	135	118
Awarded	-	45
Vested	(39)	(29)
Forfeited	(6)	1
At 30 June/ 31 December	90	135

37. OTHER FINANCIAL ASSETS - RECONCILIATION OF ALLOWANCE ACCOUNT

The Company applied the Simplified Approach where the ECL is measured at initial recognition of the financial assets using a provision matrix based on historical data or also known as the roll rate approach. Estimation of credit losses will use a provision matrix where insurance and reinsurance receivables are grouped based on different sales channels and different reinsurance arrangements respectively with forward looking elements being applied to it.

Movements in gross carrying value and allowances for impairment losses recognised for not credit-impaired and credit impaired assets of the Company are as follows:

	<-------- Not credit-impaired-------->			<-------- Credit-impaired-------->			<-------- Total -------->		
	Financing receivables RM'000	Reinsurance contract assets & Insurance contract assets* RM'000	Other assets** RM'000	Financing receivables RM'000	Reinsurance contract assets & Insurance contract assets* RM'000	Other assets** RM'000	Financing receivables RM'000	Reinsurance contract assets & Insurance contract assets* RM'000	Other assets** RM'000
Gross carrying amount									
At 1 January 2025	30,408	310,443	26,719	4,678	89,877	-	35,086	400,320	26,719
Increase/(decrease)	(722)	220,150	(369)	(184)	(32,287)	-	(907)	187,863	(369)
At 31 December 2025	29,686	530,593	26,350	4,494	57,590	-	34,179	588,183	26,350
Increase/(decrease)	(1,543)	363,424	8,417	54	(13,364)		(1,489)	350,060	8,417
At 30 June 2026	28,143	894,017	34,767	4,548	44,226	-	32,690	938,243	34,767
ECL									
At 1 January 2025	54	467	-	4,678	3,752	-	4,732	4,219	-
Increase/(decrease)	(28)	(159)	-	(184)	(2,041)	-	(212)	(2,200)	-
At 31 December 2025	26	308	-	4,494	1,711	-	4,520	2,019	-
Increase/(decrease)	4	622	10	54	111	-	58	733	10
At 30 June 2026	30	930	10	4,548	1,822	-	4,578	2,752	10

* Including receivables from reinsurers and outstanding premiums net of impairment.

** Excluding non-financial assets such as prepayments, deposits, net share of MMIP assets and service tax recoverable.

38. FAIR VALUE MEASUREMENTS

(a) Valuation principle

The levels of the Fair Value hierarchy as defined by MFRS Accounting Standards are an indication of the observability of prices or valuation input. It can be classified into the following hierarchies/levels:

- Level 1 : Active Market – Quoted price

  Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Such financial instruments include listed derivatives, quoted equities and unit and property trust funds traded on an exchange.

- Level 2 : No Active Market – Valuation techniques using observable inputs

  Refers to inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

  Examples of level 2 financial instruments include corporate and government bonds, structured products, NCDs/NICDs, and over-the-counter ("OTC") derivatives.

- Level 3 : No Active Market – Valuation techniques using unobservable inputs

  Refers to financial instruments where fair values are measured using unobservable market inputs. The valuation technique is consistent with level 2. The chosen valuation technique incorporates management's assumptions and data.

  Examples of level 3 instruments include corporate bonds in illiquid markets, private equity investments and investment properties.

38. FAIR VALUE MEASUREMENTS (CONTD.)

(b) Fair value measurements and classification within the fair value hierarchy

	Valuation technique using :			
	Level 1	Level 2	Level 3	
	Quoted market prices RM'000	Using observable inputs RM'000	Using significant unobservable inputs RM'000	Total RM'000
30.6.2026				
Assets				
Investment properties	-	-	354,198	354,198
Financial investments at FVTPL				
(i) Designated upon initial recognition				
Debt securities and structured products	-	51,773	-	51,773
(ii) Held-for-trading ("HFT")				
Equity securities	141,636	-	89,796	231,432
Unit and property trust funds	11,301	-	-	11,301
Financial investments at FVOCI				
Malaysian government papers	-	160,118	-	160,118
Equity securities	44,421	-	-	44,421
Debt securities, structured products, NCDs and NICDs	-	1,314,405	-	1,314,405
Financial assets sold under repurchase agreement	-	30,168	-	30,168
Total assets	197,358	1,556,464	443,994	2,197,816

38. FAIR VALUE MEASUREMENTS (CONTD.)

(b) Fair value measurements and classification within the fair value hierarchy (contd.)

	Valuation technique using :			
	Level 1	**Level 2**	**Level 3**	
	Quoted market prices RM'000	**Using observable inputs RM'000**	**Using significant unobservable inputs RM'000**	**Total RM'000**
31.12.2025				
Assets				
Investment properties	-	-	353,130	353,130
Financial investments at FVTPL				
(i) Designated upon initial recognition				
Debt securities	-	67,896	-	67,896
(ii) Held-for-trading ("HFT")				
Equity securities	193,787	-	89,796	283,583
Unit and property trust funds	10,736	-	-	10,736
Financial investments at FVOCI				
Malaysian government papers	-	191,474	-	191,474
Equity securities	43,269	-	-	43,269
Debt securities	-	1,267,911	-	1,267,911
NICD	-	44,657	-	44,657
Derivative assets	-	737	-	737
Total assets	247,792	1,572,675	442,926	2,263,393

(c) Transfer between Level 1 and Level 2 in the fair value hierarchy

Assets and liabilities of the Company are recognised in the financial statements on a recurring basis. The Company determines whether transfers have occurred between fair value hierarchy levels by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year. There were no transfers between Level 1 and Level 2 for the Company during the financial years ended 31 December 2025 and 2024.

38. FAIR VALUE MEASUREMENTS (CONTD.)

(d) Movements of Level 3 assets and financial investments

	Assets and financial investments measured at fair value		
	Investment properties RM'000	**Unquoted equity securities designated at FVTPL RM'000**	**Total RM'000**
30.6.2026			
At 1 January /at 30 June	353,130	89,796	442,926
Recognised in income statement:			
Fair value gains	1,000	-	1,000
Addition	68	-	68
At 30 June	354,198	89,796	443,994
Total gains recognised in income statement for assets and financial instruments measured at fair value at the end of the reporting period	1,000	-	1,000
31.12.2025			
At 1 January	353,080	84,966	438,046
Recognised in income statement:			
Fair value gains	(3,505)	4,830	1,325
Addition, at cost	3,555	-	3,555
At 31 December	353,130	89,796	442,926
Total gains recognised in income statement for assets and financial instruments measured at fair value at the end of the reporting period	(3,505)	4,830	1,325

(e) Sensitivity of fair value measurements to changes in unobservable input

The Company's exposure to financial investments measured with valuation techniques using significant unobservable inputs comprised a small number of financial investments which constitute an insignificant component of the Group's portfolio of financial investments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

38. FAIR VALUE MEASUREMENTS (CONTD.)

(e) Sensitivity of fair value measurements to changes in unobservable input assumptions (contd.)

(i) Investment properties

All investment properties of the Company carried at fair values were classified under Level 3. The valuation of investment properties were performed by an accredited independent valuer using a variety of approaches such as the comparison method and the income capitalisation approach.

	Valuation method	**Significant unobservable inputs**	**Range**
30.6.2026			
Building	Income capitalisation	Rental per square foot	RM 5.00 to RM 7.80
Land	Comparison	Sales price per square foot for similar properties	RM 4,400.00
Shop lots	Comparison	Sales price per square foot for similar properties	RM 1.00 to RM 930
31.12.2025			
Building	Income capitalisation	Rental per square foot	RM 5.00 to RM 7.80
Land	Comparison	Sales price per square foot for similar properties	RM 4,400.00
Shop lots	Comparison	Sales price per square foot for similar properties	RM 1.00 to RM 930

38. FAIR VALUE MEASUREMENTS (CONTD.)

(e) Sensitivity of fair value measurements to changes in unobservable input assumptions (contd.)

(i) Investment properties (contd.)

Under the comparison method, fair value is estimated by considering the selling price per square foot ("psf") of comparable investment properties sold, adjusted for location, quality and finishes of the building, design and size of the building, title conditions, market trends and time factor. The income capitalisation approach considers the capitalisation of net income of the investment properties such as the gross rental less current maintenance expenses and outgoings. This process also considers the relationships including yield and discount rates. Recent transactions transacted in the market resulting in an increase in these inputs, would result in a significant increase in the estimated fair values of the investment properties.

A significant increase or decrease in the unobservable input used in the valuation would result in a correspondingly higher or lower fair value of the investment properties.

(ii) Unquoted equity instruments

All unquoted equity instruments of the Company at fair values were classified under Level 3. The fair value of investments in unquoted equity instruments that do not have quoted market prices in an active market, are measured based on the adjusted net asset method by referencing to the annual financial statements of the entities that the Company invested in.

The analysis below is performed for reasonably possible movements in the net asset value:

Net asset value	Changes in variables	Impact to Investments RM'000	Impact on profit before tax RM'000	Impact on equity* RM'000
		<---------------- Increase/(Decrease) ----------------		
30.6.2026	+5%	4,490	4,490	3,412
	-5%	(4,490)	(4,490)	(3,412)
31.12.2025	+5%	4,490	4,490	3,412
	-5%	(4,490)	(4,490)	(3,412)

* Impact on equity is computed after tax at the statutory tax rate.

39. REGULATORY CAPITAL REQUIREMENT

The capital structure of the Company as at 30 June 2026 and 31 December 2025, as prescribed under the RBC Framework, is provided below:

	30.6.2026 RM'000	31.12.2025 RM'000
Eligible Tier 1 Capital		
Paid up share capital	229,879	229,879
Retained earnigs	943,749	969,041
	1,173,628	1,198,920
Tier 2 Capital		
Revaluation reserve	76,391	76,391
FVOCI reserve	21,047	24,317
Currency translation reserve		16,085
	97,438	116,793
Amount deducted from capital	(13,678)	(15,302)
Total Capital Available	1,257,388	1,300,411

40. UPDATE ON THE MALAYSIA COMPETITION COMMISSION ("MYCC") AGAINST THE GENERAL INSURANCE ASSOCIATION OF MALAYSIA ("PIAM") AND ITS 22 GENERAL INSURERS

On 22 February 2017, the Malaysia Competition Commission ("MyCC") has issued a Proposed Decision against the General Insurance Association of Malaysia ("PIAM") and its 22 general insurers, including the Etiqa General Insurance Berhad ("the Company") for an alleged infringement of the Competition Act 2010 ("CA 2010"). The MyCC alleged that PIAM and all 22 general insurers were parties to an anti-competitive agreement to fix the parts trade discount for certain vehicle makes and labour hourly rates for PIAM Approved Repairers Scheme workshops.

PIAM and all the 22 general insurers have filed their respective written representations with the MyCC. The Company, represented by its legal counsel, Messrs Raja Darryl & Loh ("RDL") has filed its written representations with the MyCC on 25 April 2017 and has further made oral representations on 14 December 2017 and 17 June 2019 to defend its position, in line with PIAM and other general insurers.

40. UPDATE ON THE MALAYSIA COMPETITION COMMISSION (“MYCC”) AGAINST THE GENERAL INSURANCE ASSOCIATION OF MALAYSIA (“PIAM”) AND ITS 22 GENERAL INSURERS (CONTD.)

The MyCC on 25 September 2020 issued their final decision (which is dated 14 September 2020) under Section 40 of the CA 2010 (“Final Decision”) and the financial penalty for the Company has been determined. The Company filed an appeal against the Final Decision with the Competition Appeal Tribunal (“CAT”) on 14 October 2020 and a stay of the financial penalty was imposed. The Final Decision also sets out a financial penalty levied against the Company in the sum of RM3,810,328.

The CAT unanimously allowed the stay applications on 23 March 2021 that the cease and desist order as well as the financial penalty imposed be stayed pending the disposal of the appeal.

The Case Management was held on 30 August 2021 and the CAT has heard the opening written and oral submissions by the Company regarding the appeal against the Final Decision on 16 November 2021.

The hearing dates for the submission of answers from the lawyers for MyCC took place on March 17, 2022 and March 21, 2022. The objection hearings from the respective lawyers for the Insurers took place on March 24, 2022, April 6, 2022, April 7, 2022 and April 21, 2022.

The CAT on 2 September 2022 unanimously allowed the appeal filed by PIAM and the general insurance company. The entire MYCC final result dated 14 September 2020 is set aside. The Tribunal made no order as to costs.

On 6 December 2022, the Company's lawyers informed that MyCC had applied to the High Court to try and obtain permission (permission) to initiate judicial review proceedings against the CAT decision which set aside MyCC's final decision.

Counsels for all the general insurers have discussed the matter in detail and the majority have advised their respective clients to proceed with the object at the ex parte leave stage in the High Court (where the Company has also taken similar steps) – in other words, to obtain permission from the Court to appear and be heard as the alleged respondents during the ex parte leave stage and to argue against the granting of permission for which the trial date has been set on 8 May 2023.

All the lawyers representing the insurance companies appeared in the High Court on 30 November 2023 to oppose MyCC's application for permission to initiate a Judicial Review. The High Court on 16 January 2024 rejected MyCC's Application for Permission to initiate Judicial Review proceedings against the CAT decision which set aside MyCC's final decision at a cost of RM10,000.00 to all Respondents. Lawyers informed that MyCC will likely appeal to the Court of Appeal.

The appeal was fixed for a physical hearing before the Court of Appeal on 30 April 2026. Subsequently, the Court of Appeal scheduled the matter for the delivery of its decision on 18 August 2026.

41. DEREGISTRATION AND CLOSURE OF ETIQA GENERAL INSURANCE BERHAD ("EGIB") BASED IN BRUNEI

On 28 November 2024, EGIB received a letter dated 27 November 2024 from Brunei Darussalam Central Bank ("BDCB") granting EGIB's request to deregister EGIB Brunei under the Insurance Order 2006, effective 14 days after the date of the BDCB's letter.

On 27 December 2024, EGIB had repatriated the fund held in Maybank Brunei amounting to BND9.27million (comprising BND8million in fixed deposit and BND1.27million in current account) back to Malaysia.

'On 21 October 2025, EGIB Board approved the striking-off of EGIB Brunei from the Brunei Registry of Companies and Business Names ("ROC") following the closure of its Maybank current accounts.

On 21 November 2025, Maybank Brunei confirmed the closure of EGIB Brunei's Maybank current accounts, and by 25 November 2025, the remaining fund amounting to BND498.7K has been repatriated back to Malaysia.

EGIB is in the process of applying for the striking-off application with Brunei ROC and the completion of its closure activities is expected by 2026.